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January 20, 2022

Zachary Goldman
Health Care Cost Economist
Oregon Health Authority
Barbara Roberts Human Services Building
500 Summer Street NE E-64
Salem, Oregon

**Re: Cambia Health Solutions Comments
Health Market Oversight Draft Rules**

Dear Mr. Goldman:

Cambia Health Solutions, Inc., (“Cambia”) is a fully taxed, nonprofit corporation headquartered in Portland that traces its history back to 1917. Today, Cambia is a holding company and the ultimate parent company of Regence BlueCross BlueShield of Oregon and more than 20 other affiliate companies that offer health insurance, wellness programs, and other consumer engagement solutions that seek to serve as a catalyst to make the health care system more economically sustainable for its members and their families. Cambia employs more than 4,500 people and serves more than 3.3 million people through its regional health plans that operate across Oregon, Washington, Idaho, and Utah.

Cambia is grateful to have had the opportunity to participate in the process that the Oregon Health Authority (the “Authority”) has undertaken to develop rules for House Bill 2362 (2021) relating to health care mergers and acquisitions and creating a review and approval process by the Authority. We have commented during the rulemaking advisory committee meetings and submit this letter so the Authority can fully consider our comments.

Generally, and as an insurer, we remain concerned that the draft rules are not consistent with the specific direction in HB 2362 that the Oregon Department of Consumer and Business Services (“DCBS”) shall “make the final determination in material change transactions involving the sale, merger or acquisition of a domestic health insurer” BR 2362 Section 2 (3)(b). Existing statutes and regulations setting forth the authority of DCBS for transactions involving the acquisition of control for domestic health insurers in Oregon are sufficient, robust, and well-established to support the evaluation of transactions involving insurers. See ORS 732.523 and related regulations. Processes and procedures that add requirements that reduce the authority and expertise of DCBS when transactions only involve domestic insurers are inefficient and inconsistent with HB 2362.

In particular, Cambia makes the following comments on the proposed rules:

Proposed OAR 409-070-0035

In section (1), there should be specific reference to the authority of DCBS that is maintained in HB 2362 by adding reference that DCBS “shall make the final determination in material change transactions involving the sale, merger or acquisition of a domestic health insurer and shall coordinate with the Authority to incorporate the authority’s review into the department’s final determination.” Including this specific reference will avoid confusion of the process undertaken by DCBS and this process undertaken by the Authority when a material transaction only involves a domestic health insurer.

Similarly, there should be specific inclusion of terms that prohibit the absence of a timely response from the Authority from impacting the review or approval by DCBS of a sale, merger, or acquisition of material change transactions involving only domestic health insurers to be consistent with HB 2362.

Proposed OAR 409-070-0045

This section should include a specific exemption from any additional information to be filed for material change transactions involving only domestic insurers that goes beyond that required by ORS 732.517 to 732.546 and related rules. HB 2362 grants ultimate authority to DCBS for transactions involving domestic insurers only and any additional requirements of domestic insurers is inconsistent with this specific limitation of the Authority’s filing requirements in this section.

Proposed OAR 409-070-0050

For material transactions involving only domestic health insurers, this section should prohibit retention of any outside advisors beyond those required by DCBS to avoid duplication of efforts and inefficiency.

Proposed OAR 409-070-0060

ORS 732.526 provides for public hearings for certain transactions within the authority of DCBS. This section should include a specific limitation that in no circumstance should a public hearing be conducted under this section where DCBS has scheduled or conducted a public hearing for a transaction involving domestic health insurers. Without this limitation, there could be multiple public hearings on a single transaction involving domestic health insurers.

Thank you for the opportunity to participate and provide comments on the proposed rules. For questions, please contact me at Russ.Collins@cambiahealth.com. Thank you.

Sincerely,



Russell S. Collins
Vice President Corporate and Commercial Legal Services

RSC/jmg

Cc: Vince Porter (Director Public Affairs and Government Relations)
Antoinette Awuakye (Public and Regulatory Affairs Specialist Senior)